

**UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF ILLINOIS**

AMERICAN INTERNATIONAL	)	
GROUP, INC., <u>et al.</u> ,	)	Case No. 07 CV 2898
	)	
Plaintiffs,	)	Judge Robert W. Gettleman
v.	)	
	)	Magistrate Judge Sidney I. Schenkier
ACE INA HOLDINGS, INC., <u>et al.</u> ,	)	
	)	
Defendants.	)	
	)	
LIBERTY MUTUAL INSURANCE	)	
COMPANY, <u>et al.</u> ,	)	
	)	
Counter-Claimants,	)	
v.	)	
	)	
AMERICAN INTERNATIONAL	)	
GROUP, INC., <u>et al.</u> ,	)	
	)	
Counter-Defendants.	)	
	)	
SAFECO INSURANCE COMPANY OF	)	Case No. 09 CV 2026
AMERICA and OHIO CASUALTY	)	
INSURANCE COMPANY, individually, and on	)	Judge Robert W. Gettleman
behalf of a class consisting of members of the	)	
National Workers Compensation Reinsurance	)	Magistrate Judge Sidney I. Schenkier
Pool,	)	
	)	
Plaintiffs,	)	
v.	)	
	)	
AMERICAN INTERNATIONAL GROUP, INC.,	)	
et al.,	)	
	)	
Defendants.	)	

**ORIGINAL CLASS PLAINTIFFS' APPENDIX IN OPPOSITION TO THE JOINT  
MOTION OF INTERVENORS AND AIG FOR CLASS CERTIFICATION AND  
PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

## TABLE OF CONTENTS

<b>I.</b>	<b>DECLARATION OF KEVIN M. RYAN.....</b>	<b>1</b>
	Exhibit 1 – Curriculum Vitae.....	20
	Exhibit 2 – Memorandum entitled “WC Calculation Methodology” .....	25
<b>II.</b>	<b>DECLARATION OF ARNOLD I. BARNETT, PH.D. .....</b>	<b>30</b>
	Exhibit 1 – Curriculum Vitae.....	50
	Exhibit 2 – Dr. Kadane’s Final Proposed Sampling Plan for AIG Divisions 55/51 and 50 .....	65
	Exhibit 3 – August 12, 2010 Order .....	98
	Exhibit 4 – November 5, 2009 Order.....	102
	Exhibit 5 – November 17, 2009 Order.....	104
	Exhibit 6 – December 17, 2009 Order .....	109
	Exhibit 7 – Dr. Kadane’s Sampling Plan for Certain AIG Divisions dated December 16, 2010.....	111
	Exhibit 8 – Class Plaintiffs’ and Liberty’s Supplemental Sampling Proposal (Only with Respect those Contracts in Division 55/51 with Recorded Losses but No Recorded Premium).....	132
	Exhibit 9 – March 9, 2011 e-mail from Dr. Kadane to Court.....	140
	Exhibit 10 – Estimate of AIG’s Underreporting of WC Premium in Division 55/51 and 50 .....	145
<b>III.</b>	<b>DECLARATION OF JEFFREY A. COHEN .....</b>	<b>147</b>
	Appendix A – Curriculum Vitae.....	156
<b>IV.</b>	<b>DECLARATION OF SCOTT HARRINGTON, PH.D.....</b>	<b>162</b>
	Exhibit 1 – Curriculum Vitae.....	180
	Exhibit 2 – Summary of Damages for Divisions 50 & 55 .....	195
	Exhibit 3 – Underpayment Damages .....	197
	Exhibit 4 – Return Carry Forfeited Return Damages .....	200
<b>V.</b>	<b>DECLARATION OF PATRICK L. WHATLEY .....</b>	<b>203</b>
	Exhibit 1 – Curriculum Vitae.....	213
<b>VI.</b>	<b>DECLARATION OF JOSEPH E. SEDER .....</b>	<b>216</b>
	Exhibit 1 – Curriculum Vitae.....	233

Exhibit 2 – Selected Materials from David Leslie's Work Papers.....	235
Exhibit 3 – Exhibit C to the Regulatory Settlement Agreement dated Dec. 17, 2010 .....	267
Exhibit 4 – Letter to Matthew Merlino et al. to J. David Leslie dated May 9, 2008 .....	272
Exhibit 5 – E-mail from Jose Gonzalez to J. David Leslie dated Aug. 14, 2009.....	280
Exhibit 6 – E-mail from Christopher Stanton to Jay Kadane dated Nov. 20, 2010.....	292
Exhibit 7 – Letter from David Appel to J. David Leslie dated Oct. 17, 2008 .....	298
Exhibit 8 – AIG's Comments to Dr. Kadane's Final Proposed Sampling Plan for AIG Divisions 55/51 and 50.....	304
Exhibit 9 – NWCRP-AIG Settlement Settlement – Plan of Allocation; New Mexico Pool-AIG Settlement – Plan of Allocation .....	309
<b>VII. DECLARATION OF JAMES W. SCHACHT.....</b>	<b>327</b>
Exhibit 1 – Curriculum Vitae.....	346
Exhibit 2 – List of Publications .....	353
<b>VIII. DECLARATION OF DOUGLAS JENKINS.....</b>	<b>356</b>
<b>IX. DECLARATION OF THOMAS DRISCOLL .....</b>	<b>360</b>
<b>X. DECLARATION OF MATTHEW O. SITZER .....</b>	<b>366</b>
<b>XI. DECLARATION OF GARY M. ELDEN.....</b>	<b>369</b>
Exhibit 1 – Declaration of Gary M. Elden dated Jan. 9, 2011 (with Exhibits 1-6).....	413
Exhibit 2 – Declaration of Gary M. Miller dated Jan. 9, 2011 (with Exhibits A-C) .....	447
Exhibit 3 – Letter from Gary M. Elden to Thomas W. Jenkins dated Aug. 18, 2010 ....	487
Exhibit 4 – Letter from Michael Carlinsky to Gary M. Elden dated Nov. 29, 2010 .....	490
Exhibit 5 – Presentation to Potential Intervenors dated Dec. 20, 2010 .....	493
Exhibit 6 – March 9, 2011 e-mail from Dr. Kadane to Court.....	591
<b>XII. DECLARATION OF MICHAEL A. WALSH.....</b>	<b>596</b>
Exhibit 1 - July 29, 2010 Russo Letter .....	646
Exhibit 2 - January 31, 1992 E. Michael Joye Memorandum .....	659

Exhibit 3 - July 1, 1989 Mikk Hinnov Memorandum .....	668
Exhibit 4 - November 6, 1989 Mikk Hinnov Memorandum .....	671
Exhibit 5 - November 4, 1991 Mikk Hinnov Memorandum .....	677
Exhibit 6 - March 2, 1990 Thomas Belthoff Memorandum .....	680
Exhibit 7 - Relevant Portions of Thomas Belthoff's Deposition Transcript .....	687
Exhibit 8 - Relevant Portions of E. Michael Joye's Deposition Transcript.....	694
Exhibit 9 - February 10, 1992 Howard Smith Memorandum.....	703
Exhibit 10 - Relevant Portions of Mark Paffman's Deposition Transcript .....	705
Exhibit 11 - Relevant Portions Joseph Cavolo's Deposition Transcript.....	730
Exhibit 12 - May 24, 1995 Facsimile from Mikk Hinnov .....	750
Exhibit 13 - Relevant Portions of Gary Cline's Deposition Transcript .....	752
Exhibit 14 - Relevant Portions of Taylor Atkins' Deposition Transcript.....	757
Exhibit 15 - Relevant Portions of Dominic Frederico's Deposition Transcript .....	763
Exhibit 16 - Relevant Portions of Mark Bender's Deposition Transcript .....	770
Exhibit 17 - Relevant Portions Joseph Smetana's Deposition Transcript .....	774
Exhibit 18 - Relevant selection from 2010 AIG Form 10-K .....	788
Exhibit 19 - A.M. Best Executive Summary Report (5-Year) for AIG .....	802
Exhibit 20 - Relevant Portions of Wayland Mead's Deposition Transcript .....	804
Exhibit 21 - February 14, 1992 Letter from Maurice (Hank) Greenberg .....	814
Exhibit 22 - E. Michael Joye's Handwritten Notes .....	816
Exhibit 23 - Relevant Portions of Bernard Aidinoff's Deposition Transcript .....	844
Exhibit 24 - Relevant Portions of Jacqueline Aguanno's Deposition Transcript .....	852
Exhibit 25 - 2004 AIG Form 10-K/A .....	881
Exhibit 26 - Relevant Portions of Steven Dixon's Deposition Transcript.....	914
Exhibit 27 - Relevant Portions of Howard Smith's Deposition Transcript .....	921
Exhibit 28 - Relevant Portions of Joseph Umansky's Deposition Transcript .....	930
Exhibit 29 - November 29, 2000 AIG SICO Conference Transcript .....	938
Exhibit 30 - SICO Millionaire's List at June 30, 2004 .....	962
Exhibit 31 - CVSCO Shareholder Compensation List .....	1013
Exhibit 32 - Relevant Portions of Frank Douglas's Deposition Transcript .....	1028
Exhibit 33 - Relevant Portions of Salvatore Branca's Deposition Transcript .....	1031
Exhibit 34 - Relevant Portions of James Roberts' Deposition Transcript .....	1035
Exhibit 35 - PWC Critical Matter (PWCSICO 026906-13) .....	1039

Exhibit 36 - Feb. 24, 2003 Corporate Governance Assessment (PWCSICO 187582-89) .....	1048
Exhibit 37 - Summary of Page 14 Data .....	1057
Exhibit 38 - April 26, 2005 Press Release .....	1076
Exhibit 39 - Declaration of Steven M. Dixon dated June 14, 2007 .....	1079
Exhibit 40 – Relevant Portions of Transcript of Proceedings on Jan. 13, 2011 .....	1087
Exhibit 41 – Relevant Portions of Transcript of Proceedings on Feb. 4, 2011.....	1095
Exhibit 42 – Relevant Portions of Transcript of Proceedings on June 25, 2010 .....	1105
Exhibit 43 – Letter from Kevin Reed dated March 7, 2011 .....	1109
Exhibit 44 – AIG’s Supplemental Objections and Responses to Liberty Mutual’s First and Second Sets of Interrogatories .....	1117
Exhibit 45 – Relevant Portions of Proceedings dated Nov. 5, 2010.....	1132
Exhibit 46 – Relevant Portions of AIG’s Responses and Objections by Interrogatory to Certain Topics of Class Plaintiffs’ March 23, 2010 30(b)(6) Deposition Notice .....	1138
Exhibit 47 – Memorandum from Robert Conry to Maurice Greenberg dated Feb. 2, 1990 .....	1153
Exhibit 48 – Memorandum from Robert Conry to Maurice Greenberg dated April 24, 1992 .....	1185
Exhibit 49 – Deposition Witness Questionnaire of Joseph Cavolo .....	1194
Exhibit 50 – AIG’s Supplemental Objections and Responses to Class Plaintiffs’ Interrogatories.....	1198
Exhibit 51 – Relevant Portions of Alfred Grano’s Deposition Transcript; .....	1218
Exhibit 52 – Relevant Portions of Mary Ann Castaldo’s Deposition Transcript; .....	1224
Exhibit 53 – Feb. 3, 2006 Report from INS Regulatory Insurance Services, Inc.....	1229
Exhibit 54 – Agreement between the Attorney General of New York and AIG and its Subsidiaries dated Jan. 18, 2006.....	1250
Exhibit 55 – Relevant Portions of Robert Schimek’s Deposition Transcript .....	1307
Exhibit 56 – Complaint dated May 24, 2007 .....	1311
Exhibit 57 – Letter from James L. Brochin to Patrick Coffey dated Dec. 21, 2006....	1330
<b>XIII. OFFERS OF PROOF.....</b>	<b>1335</b>